

Message Text

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TAGS: AORG, AFIN, UN, UPU

SUBJECT: SWISS STATEMENT AT UPU GENEVA SUBGROUP

REF: STATE 036194, USUN 588

1. ONLY TEXT SWISS STATEMENT IS FOUND IN MINUTES OF
SUBGROUP MEETING. COMMENTS WERE MADE DURING DISCUSSION
OF LIST OF TOPICS ON WHICH ACTION WAS REQUESTED BY
GENEVA GROUP. RELEVANT EXCERPT FROM MINUTES FOLLOWS.

BEGIN EXCERPT:

2. TOPIC 3. GROUPS SHOULD AVOID REACHING CONCLUSIONS
ON WHAT MIGHT BE DONE ABOUT CURRENCY INSTABILITY UNTIL
THE UN WORKING GROUP HAS REPORTED TO THE GENERAL ASSEMBLY.
THE GROUPS MAY, HOWEVER, FIND IT USEFUL TO DISCUSS A
STATEMENT BY THE SWISS OBSERVER (AT THE MAIN GENEVA GROUP
MEETING) THAT HIS GOVERNMENT ARE CONCERNED AT THE POSSIBILITY
THAT THE SWISS FRANC MIGHT
BE CALLED UPON TO SERVE AS A MAJOR UN CURRENCY; THEY
THINK IT DESIRABLE TO RELY ON ONLY ONE MAJOR CURRENCY
UNIT WITHIN THE UN SYSTEM AND CONSIDER THAT THE US DOLLAR
SEEMS BEST SUITED TO FILL THIS ROLE.

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3. MR. CRAMER (SWITZERLAND) OUTLINED THE POSITION THAT HIS GOVERNMENT HAD TAKEN AT THE MAIN GENEVA GROUP MEETING, THE POSSIBILITY THAT THE SWISS FRANC MIGHT BE CALLED UPON TO SERVE AS A MAJOR UN CURRENCY.

4. MR. STOCK (USA) COMMENTED THAT THE UPU'S INCOME IS LARGELY IN DOLLARS, THAT SALARIES ARE PEGGED TO A DOLLAR SCALE BUT THAT PAYMENTS ARE MADE IN SWISS FRANCS. ADJUSTMENTS ARE THEREFORE NECESSARY IN ORDER TO STAY WITHIN THE CELING DETERMINED BY THE CONGRESS. MR. ELLIOT (UK) COMMENTED THAT THE CURRENCY INSTABILITY POSED NO GRAVE PROBLEM FOR THE UPU WHICH WAS PERHAPS LESS AFFECTED THAN OTHER INTERNATIONAL AGENCIES. IT SHOULD BE NOTED, HOWEVER, THAT THE CURRENCY FLUCTUATION IS THE RESULT OF EFFECTIVE REDUCTION IN THE BUDGET CELING BY 6.6 PERCENT. MR. BERCHTEN (SWITZERLAND) SUMMARIZED THE DIRECTOR GENERAL'S REPORT ON THIS ISSUE. MR. STOCK SAID THAT IF THE CONGRESS WERE TO SET THE BUDGET IN SWISS FRANCS RATHER THAN GOLD FRANCS THIS WOULD BE PREFERABLE IN THAT IT WOULD ELIMINATE ONE OF THE TWO POSSIBLE DISCREPANCIES. IT WOULD NOT, HOWEVER, SOLVE THE PROBLEMS CREATED BY FLUCTUATIONS IN THE RATE OF EXCHANGE BETWEEN THE DOLLAR AND THE SWISS FRANC. MR. LESAUX (FRANCE) SAID THAT SINCE GOLD WAS BECOMING LESS IMPORTANT ONE MIGHT AS WELL GET AWAY FROM IT. MR. CRAMER CONFIRMED THAT THE SWISS STATEMENT DID NOT MEAN THAT IT OPPOSES CONTINUING TO EXPRESS THE UPU BUDGET IN SWISS FRANCS AS AN EXCEPTIONAL CASE. THE SWISS STATEMENT HAD NOT ADDRESSED ITSELF TO ANY DISCREPANCIES CAUSED BY FLUCTUATIONS OF THE GOLD FRANC VERSUS THE SWISS FRANC. MR. STOCK SAID THAT IN THE FUTURE THE INTERNATIONAL STAFF WOULD HAVE TO ACCEPT THE FACT THERE WOULD BE FLUCTUATIONS. HENCE, THERE WOULD BE BOTH GOOD TIMES AND BAD TIMES. THE UPU HAD CHOSEN TO ADOPT THE UN PATTERN. HAVING MADE THIS CHOICE THEY SHOULD NOT, IN ALL FAIRNESS, NOW ASK FOR SPECIAL EXCEPTIONS.
END EXCERPT.
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